Under Assessment of Taxes

963. SHRIMATI SARLA MAHESHWARI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that during the fiscal year 1999-2060, 12613 underassessment cases involving a tax effect of Rs. 28661.27 crores of Corporation tax, Income tax and other direct taxes were noticed;

(b) if so, what are the corresponding figures of such cases for the fiscal year 2000-01;

(c) what are the reasons of huge cases involving a large sum of Government revenue; and

(d) what steps Government have taken to reduce such cases at the initial stage?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) C&AG in their Report No. 12 of 2001 for March ending 2000, have pointed out audit observations in 12613 cases for F.Y. 1999-2000 where according to them there is underassessment of Rs. 2861.27 crores of Corporation tax, Income tax and other direct taxes. The Report of C&AG is being examined in the CBDT with a view to give parawise reply to C&AG to determine the correctness or otherwise of the aforesaid audit observations.

Final figures of number of cases of underassessment or the amount of tax effect involved in such cases can be determined only after such examination by the CBDT and after interaction with the C&AG the tax effect as per said C&AG report is Rs. 2861.27 crores and not Rs. 28661.27 crores as mentioned in Part (a) of the question.

(b) As per information received from the C&AG the corresponding figures of such cases for the fiscal year 2000-01 are 15884 cases involving tax effect of Rs. 4777 crores. CBDT is yet to receive the Final Report of C&AG giving individual Draft Paras in these cases. No comments can be offered at this stage on the number of cases of underassessment or the tax effect involved in such cases.

(c) According to C&AG reasons for such huge cases of under-

assessment are mistakes in the application of law, incorrect allowances, deductions or exemptions and non levy of interest etc.

(d) CBDT has already issued instructions to the Assessing Officers/Field Formations to take due care in assessment and to Avoid mistakes. There is also a monitoring system where the ledger cards are issued and their explanations are called for where they are found to have committed such mistakes. DIT (Audit) has also issued instructions and checklist for the guidance of the Assessing Officers.

Sale of Bank Branches to Foreign Banks

964. SHRI V.V. RAGHAVAN:
SHRI J. CHITHARANJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in the "Business Standard" dated 31st July, 2001 stating that RBI is considering a proposal that involves the sale of selected branches of public sector banks to foreign banks;

(b) if so, the authority which has submitted the proposal; and

(c) what decision has been taken on the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) and (c) Reserve Bank of India (RBI) has reported that it has not received any proposal from foreign banks for buying branches of public sector banks.

Collection of Excise Duties

965. SHRI S. RAMACHANDRAN PILLAI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that net receipts from excise duty continued to fall short of budget estimates as during the previous years and during 1999-2000, the shortfall was of Rs. 1893 crores;

(b) whether it is also a fact that expenditure on collection of excise duty averaged at 17.48 percent during the fiscal years 1st April, 1995